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Congress, Agencies Clash Over Counterintelligence

Lawmakers Call Administration Efforts Weak

By Charles R. Babcock
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In the spring of 1984, Sen. Malcolm Wallop (R-Wyo.) received a certificate naming him an "honorary counterintelligence specialist" in the Central Intelligence Agency. The award was said to be in recognition of his efforts to establish a semiautonomous core of career counterintelligence (CI) specialists in the agency.

Wallop, then chairman of the Senate Intelligence budget subcommittee, was neither honored nor amused.

"The CIA ridiculed the career specialist by giving me the award," he said in an interview. "It was designed in total cynicism, with little boys laughing behind doors."

So he wrote, and Congress approved, language in the classified intelligence agencies' authorization bill report for fiscal 1985 requiring the CIA to reestablish CI as a career service. It still has not been done, he and other intelligence sources say.

Doing something about counterintelligence has been a hot topic since accusations in May that alleged spy John A. Walker Jr. and others for years had passed U.S. Navy secrets to the Soviets. To Wallop and other critics, the Reagan administration's inaction on the "CI specialist" mandate reflects a broader lack of commitment to improving the nation's ability to protect secrets from foreign agents.

"This country," Wallop said, "has virtually zero counterintelligence capability."

He argued that the CIA's counterintelligence system is inadequate because the officers now working in it will someday rotate out to work for other officers whom they may have investigated or whose oper-

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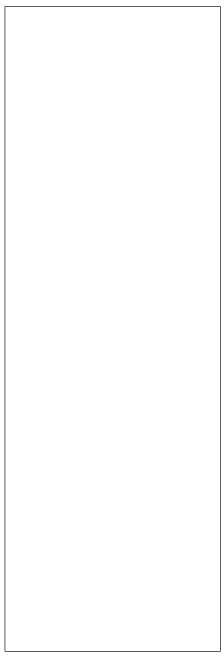

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ations they may have challenged. The result, Wallop said, is a too casual effort, in which the tough questions are not asked about the credibility of agents, operations or even technical systems.

Although few others are so critical, interviews with current and former intelligence officials suggest that the Reagan administration's strong words about counterintelligence have often been matched only by half-steps.

President Reagan said in a radio speech in June that "we've developed a list of things to be accomplished in the counterintelligence and security areas." He has signed two secret directives to study and act on the counterintelligence problem, but little of substance has been accomplished because of bureaucratic resistance, several sources said. A separate directive to revamp personnel security policies has been languishing without action for more than a year.

Funding for more FBI counterintelligence agents—who are responsible for counterespionage operations in the United States—has been added to recent budgets, but only over the objections of administration budget officers. There are now about 1,200 CI agents in the FBI, sources said. But they are still outnumbered, and squads of inexperienced clerks have been used for years to help keep track of potential foreign agents in at least four major cities.

Administration spokesmen declined to speak on the record about the counterintelligence issue. But several members of Congress did. Rep. Lee Hamilton (D-Ind.), chairman of the Permanent Select Committee on Intelligence, said "sometimes it takes a strong blow across the snout," such as the Walker case, to get the administration and Congress to focus on a problem. "Politicians, including myself, are responding to it," he said.

The broad definition of counterintelligence means protecting the nation's documents, communications and secret facilities from penetration. To most people, however, counterintelligence means the stuff of spy novels, the American agent trying to stop the KGB from recruiting a U.S. spy or catching a spy in place.

The main responsibility is split between the CIA, which keeps track of foreign intelligence agents overseas, and the FBI, which does the same in the United States.

Hamilton and Sen. Patrick J. Leahy (D-Vt.), vice chairman of the Select Committee on Intelligence, said long-term solutions are required, in addition to the increased use of polygraphs and the imposing the death penalty on military personnel for peacetime espionage, the two measures passed by Congress so far.

Hamilton said the least expensive and most important step to protect national secrets would be enforcing the "need to know" policy. "A security clearance shouldn't entitle anyone to see anything. Someone should have access only if he needs it for his job."

A theme in much of the criticism is that counterintelligence is not viewed as a path to career promotion at the CIA or FBI, or the State Department, where security has long been a low priority.

Rep. Dave McCurdy (D-Okla.), chairman of the House intelligence oversight subcommittee that has been holding closed hearings on counterintelligence, said he feels the biggest security problem is at the State Department. He said CIA Director William J. Casey had accepted a recommendation by an internal CIA commission to give more independence to the CI staff there. "It's fine-tuning at CIA," McCurdy said. "It's trying to stop a flood at State."

He cited recent reports of bugged typewriters in the U.S. Embassy in Moscow and the hiring of foreign personnel in the embassy. "The Soviets [employes] have the run of the first five floors of our embassy in Moscow," he said. "It's ridiculous."

Hamilton said, "The Soviets do have extraordinary technical skills to penetrate our embassies and secure buildings and a Pinkerton guard from the local plant just isn't aware of what he's up against. Training and skills are critical. People have to be schooled in the techniques of modern espionage."

The Senate intelligence committee, for example, reported earlier this year that a Soviet facility at Glen Cove, N.Y., is believed to be intercepting so many U.S. telephone and telex messages that it requires the shipment of tons of material to Moscow each year. The National Security Agency has embarked on a major program to provide more scrambler phones for the nation's military and intelligence communications systems.

Rep. Andy Ireland (R-Fla.), also a member of the House committee

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blamed the lack of concerted action on "bureaucratic inertia. Sometimes there are so many facets of a problem people are mesmerized into doing nothing."

The administration's uneven record on counterintelligence seems, at least in part, the result of longstanding and deeply felt differences about the best way to counter foreign spying here and abroad.

Melvin Beck, a CIA agent who shadowed KGB agents in Havana and Mexico City in the 1960s and has written a book about it, said he thought the experience was unglamorous and silly. Installing a microphone in a KGB officer's apartment resulted only in hours of tapes about his family life, not his spying, he said. "It's all a big game for both sides."

Counterintelligence is also an emotional issue because it amounts at times to spying on colleagues in a secret world where relationships must be based on trust. Mention of the name James J. Angleton, deposed a decade ago as chief of the CIA's counterintelligence staff, still generates controversy because of accusations that he unfairly wrecked the careers of some CIA officers he suspected of being Soviet moles.

In 1980, then-Director Stansfield Turner convinced Congress to approve a special fund to compensate CIA officers considered victimized by Angleton. Angleton supporters argue that any steps he recommended were approved by his superiors.

Wallop and others say an environment must be created in which intelligence information can be challenged and all potential security risks assessed. "There's an inherent dislike on the part of intelligence professionals to be second-guessed," Wallop said, adding that the CIA needs "the skeptical guy on the block."

Wallop said his ideas for changing counterintelligence at the CIA weren't easy to sell to the Senate intelligence committee because of the Angleton legacy. "It was so easy for [Deputy CIA Director] John McMahon to talk Bill Casey out of my idea of multidisciplinary analysis on the basis of Jim Angleton, which was totally irrelevant. To Bill's credit he later came around to the argument I was making. But when it was first presented Angleton was thrown up."

The first Reagan presidential directive to take action on the CI front was drafted by the National Security Council staff in 1981. But some senior career intelligence officials lobbied to change the order to a study, sources said.

NSA, which intercepts foreign communications and attempts to break the coded messages of other nations, opposed suggestions that it had not rigorously addressed the possibility the Soviets were passing false information through its technical collection systems. NSA's reluctance may come about because billions of dollars and careers are invested in U.S. technical systems, Wallop said.

When the study was completed, a new action order was drafted. As a result, a new national intelligence officer for deception was created in late 1983. A former head of the CIA's overhead photo interpretation center, R.P. (Hap) Hazzard, was picked for the job. But executive branch and congressional sources said that little else was done.

When the directives failed to get much action, Wallop led the fight to write part of the counterintelligence agenda into the fiscal 1985 intelligence authorization bill. Besides the CI career specialty, he got the votes to order the agencies to set up units to conduct "multidisciplinary counterintelligence analysis."

Usually in intelligence work, an

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intercepted communication or agent report that tends to confirm something in satellite photography would be taken as corroboration and, the more varied the sources, the more credence the conclusion would be given. The multidisciplinary counterintelligence approach would look at the same material for signs that it had been intentionally planted.

One intelligence official familiar with the idea said the CIA does make a good-faith effort to look for deception, but often can't find the evidence. "Some things you just have to believe or you will put a caveat on everything you say and then you might as well go out of business," he said.

Wallop said, "The two things in the '85 budget, the career slot and the multidisciplinary analysis are still not effective creations . . . . To date the effort has been accommodation rather than commitment. It simply cannot succeed as an accommodation."

Wallop added that recent congressional attempts to strengthen counterintelligence "are literally cosmetic, absent a more serious effort. The death penalty is not a counterintelligence policy. It can clearly be useful as a deterrent and it satisfies the national mood to be outraged . . . . But it still isn't at the core of the problem."

The best way to aid the FBI is not simply to increase the number of counterintelligence agents, several experts agreed, but to try to shrink the problem by cutting the number of Soviets in this country or putting greater restrictions on their travel.

An amendment sponsored by Leahy and Sen. William S. Cohen (R-Maine) to make Soviet and U.S. diplomatic missions more equal in size was passed by Congress late last week. So was a proposal by Sen. William V. Roth Jr. (R-Del.) to limit the travel of Soviet nationals who work for the U.N. secretariat in New York.

Roth, a member of the intelligence committee, said that with 4.3 million Americans with security clearances "the best choke point is on the other side—better control of those on the Soviet side." He noted that the committee issued a report in May charging that 200 of the 800 Soviet U.N. employes were intelligence officers.

"The good news," Leahy said, "is that as a result of the Walker case and others, people are actually focusing on this and the administration and Congress will look for long-term solutions."

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